

Arkansas Burial Association Board

MINUTES

Wednesday, August 28, 2013, 11:00 am
101 East Capitol, Little Rock, AR
Conference Room C
Board Meeting

Chairman Normal Gilchrest called the meeting to order. Members present were: Vice-Chairman Steve Ballard Pete Sims, Dr. Jacki McCray, Melanie Heath Posey, Scott Berna, and R. W. Ocker. Members absent were: Charles "Chuck" Dearman and Sammie "Turner" James Staff present: Amy S. Goode, Executive Secretary, James R. Brooke, Auditor and assistant attorney general Kat Hodge, Board Counsel.

1. Introduction of the Board and guests, meeting called to order

2. *Hearing – In the matter of: LaShia Hawkins, Secretary-Treasurer Woodhouse Burial Association*

Assistant Attorney General Peggy Johnson served as Hearing Officer and swore in witnesses.

Assistant Attorney General Kat Hodge represented the Board.

LaShia Hawkins is represented by her attorney Vandell Bland

Court Reporter Sharon Hill entered documents into the record

Hearing officer Peggy Johnson explained the reason for the hearing and that the hearing would follow the Administrative Procedures Act. Kat Hodge explained she would not call Amy Goode as a witness. Hodge and Bland agreed to a joint motion of a stipulation to certain factual allegations as contained in the order and notice of hearing.

Bland stated that the factual allegations as contained in the notice of hearing as he and his client understand them is that Ms. Hawkins is the secretary-treasurer of the Woodhouse Burial Association. She operates under the rules and regulations of the Board. Part of the regulation is that those funds cannot be pledged and that the funds have been pledged at Regions Bank on two different loans for \$10,000 each in 2012. Ms. Hawkins was here to explain what happened, but understands the factual allegations.

Hodge stated for the record that she and Mr. Bland have stipulated to the introduction of the exhibits and moves for their introduction. Board compilation exhibit 1 containing 18 pages and Ms. Hodge explained the items contained in the exhibit. In addition for the record, Hodge stated that they are stipulating to the factual allegations 1-12 as contained in the notice of hearing. No objections were made and records were entered.

Ms. Hawkins explained that she went to Regions Bank to get a loan. When she entered the loan officer just inquired "how much did she need?" It was a real quick process. It's a real small town and they knew who she was so the loan officer did not ask many questions except how much she needed and Ms. Hawkins asked for \$10,000. She stated she never was asked to put anything down for collateral. The CD's are currently not pledged as collateral.

FINDINGS OF FACT

1. Woodhouse Burial Association is an authorized burial association, operating under a Certificate of Authority issued by the Board.
2. Ms. LaShia Hawkins (Respondent) is authorized by the Board to serve as the Secretary-Treasurer for the Woodhouse Burial Association.
3. As authorized by Arkansas Code Annotated 23-78-122(a)(2)(D), the Woodhouse Burial Association owns a Certificate of Deposit with Regions Bank, 201 Milan Parkway, Birmingham, AL 35211.

4. According to documents received from Regions Banks, Respondent entered into two security agreements using the Association owned certificate of deposit to secure personal loans for herself.
5. On or about January 31, 2012, Respondent executed a promissory note (Loan Number 000000007000165xxx) with Regions Bank in the amount of \$10,126.00.
6. As collateral, Respondent secured Loan Number 000000007000165xxx by assigning to Regions Bank the funds from the Association's Certificate of Deposit. Respondent is the only signature on the assignment of collateral.
7. Listed as the Borrower for Loan Number 000000007000165xxx is: LaShia Hawkins DBA Woodhouse Burial Association. Respondent is the only signature on the note.
8. On or about November 8, 2012, Respondent executed a second promissory note (Loan Number 000000007000179xxx) with Regions Banks in the amount of \$10,000.00.
9. Again, as collateral, Respondent secured Loan Number 000000007000179xxx by assigning to Regions Bank the funds from the Association's Certificate of Deposit. Respondent is the only signature on the assignment of collateral.
10. Listed as the Borrower for Loan Number 000000007000179xxx is: LaShia Hawkins DBA/ New Eden Funeral Home, 301 Cowan Road, Colt, AR 72326. Respondent is the only signature on the note.
11. Pursuant to the Board's rules, Association assets cannot be loaned or pledged for any purposes.
12. Further, because the certificate of deposit did not belong to Respondent and because Association funds cannot be pledged or loaned, Respondent acted without authority and contrary to this Board's rules and regulations.

Motion made by McCray that the factual allegations 1-12 were found true, seconded by Berna, all in favor. Motion carried.

Motion made by Sims to find charge C.1 true, seconded by Posey, all in favor. Motion carried.

Motion made by McCray that charge C. 2 was unfounded, seconded by Ballard, all in favor. Motion carried.

ORDER

The Board orders that Respondent will be issued a written reprimand.

Motion made by Sims, to issue a written letter of reprimand, seconded by Berna, all in favor. Motion carried.

3. Approval of May 2013 Minutes

Motion made by Posey to approve the May 2013 minutes as written and distributed, seconded by Berna, all in favor. Motion carried.

4. Approval of the July 2013 Trial Balance and DF&A Financial documents

Motion made by Ballard to approve the July 2013 Trial Balance and DF&A Financial documents, seconded by Ocker, all in favor. Motion carried.

5. Board Discussion

a. Late June Semi-Annual Reports – McNabb Burial and Stuttgart Home, Hank McNabb Secretary-Treasurer.

Motion made by Posey to send another letter requesting late fees be submitted or the secretary-treasurer may be brought before Board, seconded by Berna, all in favor. Motion carried.

b. Attorney Update

- i. **Drew County Burial** – The attorney for the four interveners sent a proposed rule change. Issue is Drew County Burial wants to dissolve itself, but under current rules an association can only be assumed by an insurance company. One attorney has drafted the rule, but opposite side has not confirmed if they approve as a joint rule. The Board would

consider a proposed rule presented to them. The Board has concerns of allowing an association to dissolve.

c. Rule/Fee proposed changes

Motion made by Sims to form a rule committee to determine rule changes needed, seconded by Ocker, all in favor. Motion carried.

The following individuals were appointed to the rule committee:

1. Melanie Posey
2. Steve Ballard
3. Normal Gilchrest
4. Amy Goode, Executive Secretary
5. Bob Brooke, Auditor
6. Kat Hodge, Attorney

Executive Secretary will be responsible to set the dates and times of the committee meetings.

Motion made by McCray to form a fee committee to determine a fee proposal to present to the Board and Public, seconded by Sims, all in favor. Motion carried.

The following individuals were appointed to the fee committee:

1. Scott Berna
2. Turner James
3. Pete Sims
4. Amy Goode, Executive Secretary
5. Bob Brooke, Auditor
6. Kat Hodge, Attorney

6. Next Meeting

The Board will meet Tuesday, October 29, 2013 @ 11:00am.

7. Adjournment

Motion made by Sims to adjourn since there was no further business to discuss, seconded by Ballard, all in favor. Motion carried.

ATTEST:

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